

**CHAPTER NO. 798**

**SENATE BILL NO. 1681**

**By Kyle, McNally, Graves**

**Substituted for: House Bill No. 1990**

**By Fitzhugh, Langster, Maddox, Henri Brooks, Marrero, Bowers**

AN ACT to amend Tennessee Code Annotated, Title 3; Title 4; Title 5; Title 6; Title 7; Title 8; Title 9; Title 12; Title 16; Title 30; Title 36; Title 39; Title 40; Title 45; Title 47; Title 48; Title 55; Title 56; Title 57; Title 61; Title 62; Title 67; Title 68; Title 69; Title 70 and Title 71, relative to taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:


SECTION 1. Tennessee Code Annotated, Section 12-3-315, is amended by adding the following language as a new subsection (d):

(d) Notwithstanding the foregoing or any other law to the contrary, the commissioner shall permit with respect to contracts for telecommunications and information technology goods and services a limitation of liability of not less than two (2) times the value of the contract provided that the limitation of liability shall not apply to intentional torts, criminal acts, fraudulent conduct or acts or omissions that result in personal injuries or death. Provided however, if the commissioner determines that it is necessary to protect the interests of the state, the commissioner may petition the board of standards to approve contractor liability in excess of (2) times the value of the contract. If the board agrees with the commissioner, it may approve such a higher liability amount.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.

**PASSED: May 20, 2004**

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 3<sup>rd</sup> day of June 2004**

  
PHIL BREDESEN, GOVERNOR